



ASX RELEASE

1 September 2020

DEPUTY CHAIRMAN'S ADDRESS TO EXTRAORDINARY GENERAL MEETING OF HOME CONSORTIUM SECURITYHOLDERS

Home Consortium provides the attached Deputy Chairman's address to the Extraordinary General Meeting of Home Consortium securityholders.

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Authorised for release by the Home Consortium Board

About HomeCo

HomeCo is an internally managed Australian property group focused on ownership, development and management. HomeCo is built on a platform of big brands and hyper-convenience, with each centre anchored by leading brands backed by some of Australia's most successful property development and retail organisations including predominantly national retailers spanning daily needs, leisure and lifestyle and services enterprises.

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1 September 2020

Deputy Chairman's Address to Extraordinary General Meeting of Home Consortium Securityholders

Welcome and Introduction

Good morning, ladies and gentlemen. My name is Chris Saxon and I am the Deputy Chairman and Lead Independent Non-Executive Director of Home Consortium. I will chair today's Extraordinary General Meeting of Home Consortium. On behalf of the Board of Directors, it is my pleasure to welcome you to this meeting.

This meeting has been convened in accordance with the Corporations Act and as a quorum of securityholders is present, I declare the meeting open.

In accordance with government guidance and restrictions on travel and public gatherings at this time as a result of COVID-19, this meeting is being held in virtual format only. Securityholders can be present virtually via this live webcast and you will be able to vote electronically via the online platform provided by Home Consortium's share registry, Link Market Services. To log in you will need your holder identifier and postcode. The online platform provides an opportunity to all securityholders to participate in the meeting.

Voting on all resolutions will occur by way of poll. Shareholders attending the meeting online will be able to cast their vote using the electronic voting card received when your online registration was validated. For assistance please refer to the virtual meeting online guide available on our website.

I now wish to introduce my fellow directors – our independent non-executive directors Jane McAloon and Brendon Gale, our non-executive directors Zac Fried and Greg Hayes and our Executive Chairman and Chief Executive Officer David Di Pilla.

I will start by providing a brief background and overview of the matters that are the subject of each resolution that you will be voting on today. I will then open the floor for discussion and questions from shareholders on that resolution, after which the vote by poll will be formally conducted.

Securityholder's questions through an online platform are welcome at the meeting. As set out in the Notice of Meeting questions were invited to be submitted by 25 August 2020. I confirm that no questions were received by that time but you are still able to ask questions at any time during the meeting. You are able to log questions during this meeting through the online platform.

Resolutions 1 and 2 are subject to voting exclusions – details of shareholders excluded and the reasons why are set out in the Voting Exclusion Statement in the Notice of Meeting.

I advise that where a proxy vote has been directed to me as Chair of the meeting I intend to vote in favour of the relevant resolution.

Once the final votes cast are counted following closure of the meeting, the results will be released to the market.

Transaction Background

The purpose of the meeting is to obtain securityholder approval under the ASX Listing Rules for certain proposed related party transactions and to ratify a recent placement of securities which raised \$140 million.

There are 3 resolutions to be considered at this meeting as set out in the Notice of Meeting.

The first and second resolutions relate to the approval of a transaction between Home Consortium and Aurrum Pty Ltd (“**Aurrum**”) pursuant to which Home Consortium will acquire the freehold in an aged care property in Erina, New South Wales, from Aurrum and enter into a lease of that property to Aurrum for a period of at least 10 years.

The total purchase price for the acquisition is \$32.59 million, of which \$12.59 million is payable in cash and the balance is satisfied from the issue of 6,944,444 Securities to Aurrum at a deemed issue price of \$2.88 per security. Specifically, Resolution 1 relates to the acquisition and lease of the property while resolution 2 relates to the issue of consideration securities to Aurrum. If Resolution 1 is not passed the securities the subject of Resolution 2 will not be issued (and vice versa).

A number of financial and strategic advantages to Home Consortium of this transaction are:

- The acquisition represents an ungeared cash yield of 6.75% per annum relative to the acquisition price with annual rent reviews equal to CPI.
- There are no other expenses or costs associated with the property as the lease is structured as a triple net lease (with the tenant responsible for 100% of outgoings and maintenance capital expenditure).
- This transaction, together with the broader acquisitions disclosed by Home Consortium in its announcement on 1 July 2020, will be immediately FFO accretive.
- The acquisition represents the seed asset for the recently announced proposed unlisted fund (known as HealthCo) to hold its healthcare & wellness focused assets.
- The acquisition, together with the broader acquisitions disclosed in Home Consortium's announcement on 1 July 2020, will increase its daily needs and HealthCo service tenant exposure to 47%.
- The transaction is expected to provide securityholders with a secure, growing income stream via the 10 year lease term (with 2 x 10 year options).

If the transaction is not approved by securityholders, the proceeds of the capital raising which would have been used to fund the purchase of the property, will instead be used to repay Home Consortium's existing debt facilities and general corporate purposes.

Importantly, the opinion of the Independent Expert (being KMPG Financial Advisory Services) set out in Schedule 2 of the Notice of Meeting, is that the transaction is fair and reasonable for securityholders not associated with Aurrum. I also note that Bill Allen, an authorised representative of KPMG, is on the line at the meeting today to address any questions about that report.

Turning now to the third resolution.

On 7 July 2020 Home Consortium issued 48,611,111 securities to professional and sophisticated investors under a placement. Listing Rule 7.1 provides that, subject to certain exceptions, Home Consortium is only entitled to issue securities up to 15% of its issued ordinary securities on issue through placements during any 12-month period, without needing prior securityholder approval.

Listing Rule 7.4 provides that if the company in general meeting ratifies the previous issue of securities made pursuant to Listing Rule 7.1 those securities will be deemed to have been made with securityholder approval for the purposes of Listing Rule 7.1.

Home Consortium wishes to retain as much flexibility as possible to issue additional securities in the future without having to obtain securityholder approval for such issues under Listing Rule 7.1. To this end,

Resolution 3 seeks securityholder approval to the issue of the placement securities for the purposes of Listing Rule 7.4.

The effect of passing Resolution 3 will be to allow Home Consortium to exclude the issue of the placement securities in calculating Home Consortium's 15% placement capacity. This effectively "refreshes" the number of securities it can issue without securityholder approval over the 12 months following the issue date.

If Resolution 3 is not passed, the securities issued on 7 July 2020 will be included in calculating Home Consortium's 15% placement capacity. This decreases to zero the number of securities it can issue without securityholder approval in the period to 7 July 2021.

Chris Saxon

Deputy Chairman and Lead Independent Non-Executive Director
Home Consortium